



General Assembly

January Session, 2013

Governor's Bill No. 844

LCO No. 3031



Referred to Committee on HIGHER EDUCATION AND
EMPLOYMENT ADVANCEMENT

Introduced by:

SEN. WILLIAMS, 29th Dist.

SEN. LOONEY, 11th Dist.

REP. SHARKEY, 88th Dist.

REP. ARESIMOWICZ, 30th Dist.

**AN ACT IMPLEMENTING THE BUDGET RECOMMENDATIONS OF
THE GOVERNOR CONCERNING HIGHER EDUCATION.**

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Subsection (b) of section 10a-99 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2013*):

4 (b) The Board of Trustees of the Connecticut State University
5 System shall establish and administer a fund to be known as the
6 Connecticut State University System Operating Fund. Appropriations
7 from general revenues of the state and upon request by the
8 Connecticut State University System and with the annual review and
9 approval by the Secretary of the Office of Policy and Management, the
10 amount of the appropriations [for fringe benefits pursuant to
11 subsection (a) of section 4-73,] shall be transferred from the State

12 Comptroller and all tuition revenue received by the Connecticut State
13 University System in accordance with the provisions of subsection (a)
14 of this section shall be deposited in said fund. Income from student
15 fees or related charges, the proceeds of auxiliary activities and business
16 enterprises, gifts and donations, federal funds and grants, subject to
17 the provisions of sections 10a-98 to 10a-98g, inclusive, and all receipts
18 derived from the conduct by a state university of its education
19 extension program and its summer school session shall be credited to
20 said fund but shall be allocated to the central office and institutional
21 operating accounts which shall be established and maintained for the
22 central office and each state university. Any such gifts and donations,
23 federal funds and grants for purposes of research shall be allocated to
24 separate accounts within such central office and institutional operating
25 accounts. If the Secretary of the Office of Policy and Management
26 disapproves such transfer, he may require the amount of the
27 appropriation for operating expenses to be used for personal services
28 [and fringe benefits] to be excluded from said fund. The State
29 Treasurer shall review and approve the transfer prior to such request
30 by the university. The board of trustees shall establish an equitable
31 policy for allocation of appropriations from general revenues of the
32 state [, fringe benefits transferred from the State Comptroller] and
33 tuition revenue deposited in the Connecticut State University System
34 Operating Fund. At the beginning of each quarter of the fiscal year, the
35 board shall allocate and transfer, in accordance with said policy,
36 moneys for expenditure in such institutional operating accounts,
37 exclusive of amounts retained for central office operations and
38 reasonable reserves for future distribution. All costs of waiving or
39 remitting tuition pursuant to subsection (f) of this section shall be
40 charged to the Connecticut State University System Operating Fund.
41 Repairs, alterations or additions to facilities supported by the
42 Connecticut State University System Operating Fund and costing one
43 million dollars or more shall require the approval of the General
44 Assembly, or when the General Assembly is not in session, of the
45 Finance Advisory Committee. Any balance of receipts above

46 expenditures shall remain in said fund, except such sums as may be
47 required for deposit into a debt service fund or the General Fund for
48 further payment by the Treasurer of debt service on general obligation
49 bonds of the state issued for purposes of the Connecticut State
50 University System.

51 Sec. 2. Subsection (b) of section 10a-105 of the general statutes is
52 repealed and the following is substituted in lieu thereof (*Effective July*
53 *1, 2013*):

54 (b) The Board of Trustees of The University of Connecticut shall
55 establish and administer a fund to be known as The University of
56 Connecticut Operating Fund, and in addition, may establish a Special
57 External Gift Fund, and an endowment fund, as defined in section 10a-
58 109c, and such other funds as may be established pursuant to
59 subdivision (13) of subsection (a) of section 10a-109d. Appropriations
60 from general revenues of the state and, upon request by the university
61 and with an annual review and approval by the Secretary of the Office
62 of Policy and Management, the amount of the appropriations for
63 [fringe benefits and] workers' compensation applicable to the
64 university pursuant to subsection (a) of section 4-73, shall be
65 transferred from the Comptroller, and all tuition revenue received by
66 the university in accordance with the provisions of subsection (a) of
67 this section, income from student fees or related charges, the proceeds
68 of auxiliary activities and business enterprises, gifts and donations,
69 federal funds and grants for purposes other than research and all
70 receipts derived from the conduct by The University of Connecticut of
71 its education extension program and its summer school session, except
72 funds received by The University of Connecticut Health Center, shall
73 be deposited in said operating fund. If the Secretary of the Office of
74 Policy and Management disapproves such transfer, he may require the
75 amount of the appropriation for operating expenses to be used for
76 personal services [and fringe benefits] to be excluded from said fund.
77 The State Treasurer shall review and approve the transfer prior to such
78 request by the university. All costs of waiving or remitting tuition

79 pursuant to subsection (g) of this section, except the cost of waiving or
80 remitting tuition for students enrolled in the schools of medicine or
81 dental medicine, shall be charged to said fund. Repairs, alterations or
82 additions to facilities supported by said fund costing one million
83 dollars or more shall require the approval of the General Assembly, or
84 when the General Assembly is not in session, of the Finance Advisory
85 Committee. Any balance of receipts above expenditures shall remain
86 in said fund, except such sums as may be required for deposit into a
87 debt service fund or the General Fund for further payment by the
88 Treasurer of debt service on general obligation bonds of the state
89 issued for purposes of The University of Connecticut.

90 Sec. 3. Subsection (a) of section 10a-1d of the general statutes is
91 repealed and the following is substituted in lieu thereof (*Effective July*
92 *1, 2013*):

93 (a) There is established an Office of Higher Education. [Such office
94 shall be within the Board of Regents for Higher Education for
95 administrative purposes only.] The Office of Higher Education shall
96 administer the programs set forth in sections 10-19g, 10-155d, 10a-10a,
97 10a-11, 10a-11a, 10a-17d, 10a-34 to 10a-34f, inclusive, as amended by
98 this act, 10a-35, [10a-36 to 10a-42g, inclusive, 10a-164a,] and 10a-166.
99 [and 10a-168a to 10a-170, inclusive.] The State Board of Education shall
100 be responsible for approving any action taken pursuant to sections
101 10a-34 to 10a-34f, inclusive, as amended by this act.

102 Sec. 4. Subsection (a) of section 10a-1b of the general statutes is
103 repealed and the following is substituted in lieu thereof (*Effective from*
104 *passage*):

105 (a) The Governor shall appoint an interim president of the Board of
106 Regents for Higher Education who shall serve as president until a
107 successor is appointed and confirmed. On or after January 1, 2012, the
108 president of the Board of Regents for Higher Education shall be
109 recommended by the board and appointed by the Governor in

110 accordance with the provisions of sections 4-5, [to] 4-7 and 4-8 [,
111 inclusive,] with the powers and duties prescribed by said sections. The
112 board shall establish the term of service for the president. The
113 president shall (1) have the responsibility for implementing the
114 policies and directives of the board and any additional responsibilities
115 as the board may prescribe, (2) implement the goals identified and
116 recommendations made pursuant to section 10a-11b, (3) build
117 interdependent support among the Connecticut State University
118 System, the regional community-technical college system and Charter
119 Oak State College, (4) balance central authority with institutional
120 differentiation, autonomy and creativity, and (5) facilitate cooperation
121 and synergy among the Connecticut State University System, the
122 regional community-technical college system and Charter Oak State
123 College. Said president may designate an alternate to serve as a
124 member of any commission, foundation or committee upon which the
125 general statutes require said president to serve. Such designee may
126 vote on behalf of said president. There shall be an executive staff
127 responsible for the operation of the Board of Regents for Higher
128 Education. The executive staff shall be under the direction of the
129 president of the Board of Regents for Higher Education, who shall be
130 the chief executive officer of the Board of Regents for Higher
131 Education and shall administer, coordinate and supervise the activities
132 of the board in accordance with the policies established by the board.

133 Sec. 5. Subsections (a) to (c), inclusive, of section 10a-1e of the
134 general statutes are repealed and the following is substituted in lieu
135 thereof (*Effective July 1, 2013*):

136 (a) Wherever the term "Board of Governors of Higher Education" is
137 used or referred to in the following sections of the general statutes, the
138 term "Board of Regents for Higher Education" shall be substituted in
139 lieu thereof: 3-22e, 4-38c, 4-67x, 4-89, as amended by this act, 4-186, 4d-
140 80, 4d-82, 5-160, 5-177, 10-16p, 10-19, 10-145a, 10-145b, 10-145m, 10-
141 145n, 10-145p, 10-155e, 10-155l, 10-183n, 10-220a, 10-235, 10a-6, 10a-7,
142 10a-10, 10a-12b, 10a-13, 10a-16, 10a-19i, 10a-20a, 10a-22, 10a-25j, 10a-

143 25o, 10a-25p, 10a-31, 10a-33, [10a-36, 10a-42b,] 10a-43, 10a-44b, 10a-45,
144 10a-46, 10a-48, 10a-48b, 10a-49, 10a-51, 10a-54, 10a-66, 10a-74, 10a-78,
145 10a-132a, 10a-149, 10a-161, 10a-162a, 10a-163, 10a-163b, 10a-166, 10a-
146 168, [10a-169,] 10a-170b, 10a-170d, 10a-170l, 10a-170m, 10a-170u, 10a-
147 170v, 10a-170w, 10a-171, 10a-203, 10a-210, 12-407, 19a-75, 20-37a, 20-
148 206bb, 30-20a and 52-279.

149 (b) Wherever the term "Department of Higher Education" is used or
150 referred to in the following sections of the general statutes, the term
151 "Board of Regents for Higher Education" shall be substituted in lieu
152 thereof: 4-89, as amended by this act, 4-124x, 4-124y, 4-124aa, 4a-11, 4d-
153 82, 5-155a, 5-198, 10-8c, 10-76i, 10-145b, 10-221a, 10a-1, 10a-8b, 10a-8c,
154 10a-10, 10a-12, 10a-14, 10a-17, 10a-19c, 10a-19e, 10a-19f, [10a-19g,] 10a-
155 19i, 10a-25, 10a-25n, 10a-48, 10a-54, 10a-55g, 10a-65, 10a-77a, 10a-99a,
156 10a-109i, 10a-151, 10a-161b, 10a-163, 10a-163b, 10a-169a, 10a-169b, 10a-
157 170a, 10a-170e, 10a-170i, 10a-170l, 10a-170r, 10a-170t, 10a-170u, 11-1,
158 17a-52, 17a-215c and 20-206bb.

159 (c) Wherever the term "Commissioner of Higher Education" is used
160 or referred to in the following sections of the general statutes, the term
161 "president of the Board of Regents for Higher Education" shall be
162 substituted in lieu thereof: 3-22e, 4-124x, 4-124y, 4-124aa, 10-1, 10-16p,
163 10-16z, 10a-19d, 10a-19e, 10a-19f, [10a-19h,] 10a-48, 10a-48b, 10a-55a,
164 10a-77a, 10a-99a, 10a-109i, 10a-112g, 10a-144, 10a-150, 10a-150b, 10a-
165 161a, 10a-161b, 10a-163, 10a-169a, 10a-169b, 10a-170c, 10a-170d, 10a-
166 170i, 10a-170k, 10a-170s, 10a-170t, 10a-203, 10a-224, 12-413b, 17a-52, 32-
167 4f, 32-35 and 32-39.

168 Sec. 6. Subsection (a) of section 10a-1f of the general statutes is
169 repealed and the following is substituted in lieu thereof (*Effective July*
170 *1, 2013*):

171 (a) Wherever the term "Office of Financial and Academic Affairs for
172 Higher Education" is used or referred to in the following sections of
173 the general statutes, the term "Office of Higher Education" shall be

174 substituted in lieu thereof: 10-155d, 10a-1d, 10a-10a, 10a-11, 10a-11a,
175 10a-22d, 10a-22r, 10a-22s, 10a-22u, 10a-34, 10a-34a, 10a-34c, 10a-34d,
176 10a-34e, 10a-34f, 10a-35, 10a-38, 10a-39, 10a-40, 10a-42, 10a-42g, 10a-
177 48a, as amended by this act, 10a-104, 10a-163a [, 10a-164a,] and 10a-
178 168a. [, 10a-169 and 10a-170.]

179 Sec. 7. Subsection (b) of section 10a-48a of the general statutes is
180 repealed and the following is substituted in lieu thereof (*Effective July*
181 *1, 2013*):

182 (b) Not later than January 1, 1991, each institution of higher
183 education which receives funds for student financial assistance
184 pursuant to section 10a-40 [or 10a-164a,] shall have a coordinator for
185 student community service, provided each such institution may
186 designate either an employee or a student as such coordinator.

187 Sec. 8. Subsection (a) of section 10a-55i of the general statutes is
188 repealed and the following is substituted in lieu thereof (*Effective July*
189 *1, 2013*):

190 (a) There is established a Higher Education Consolidation
191 Committee which shall be convened by the chairpersons of the joint
192 standing committee of the General Assembly having cognizance of
193 matters relating to higher education or such chairpersons' designee,
194 who shall be a member of such joint standing committee. The
195 membership of the Higher Education Consolidation Committee shall
196 consist of the higher education subcommittee on appropriations and
197 the chairpersons, vice chairpersons and ranking members of the joint
198 standing committees of the General Assembly having cognizance of
199 matters relating to higher education and appropriations. The Higher
200 Education Consolidation Committee shall establish a meeting and
201 public hearing schedule for purposes of receiving updates from the
202 Board of Regents for Higher Education on the progress of the
203 consolidation of the state system of higher education pursuant to
204 section 4-9c, subsection (a) of section 4d-90, subsection (g) of section 5-

205 160, section 5-199d, subsection (a) of section 7-323k, subsection (a) of
206 section 7-608, subsection (a) of section 10-9, section 10-155d,
207 subdivision (14) of section 10-183b, sections 10a-1a to 10a-1d, inclusive,
208 10a-3 and 10a-3a, subsection (a) of section 10a-6a, sections 10a-6b, 10a-
209 8, 10a-10a to 10a-11a, inclusive, 10a-17d and 10a-22a, subsections (f)
210 and (h) of section 10a-22b, subsections (c) and (d) of section 10a-22d,
211 sections 10a-22h and 10a-22k, subsection (a) of section 10a-22n,
212 sections 10a-22r, 10a-22s, 10a-22u, 10a-22v, 10a-22x and 10a-34 to 10a-
213 35a, inclusive, subsection (e) of section 10a-37, sections 10a-38 to 10a-
214 40, inclusive, 10a-42 and 10a-42g, subsection (a) of section 10a-48a, as
215 amended by this act, sections 10a-55i, as amended by this act, 10a-71
216 and 10a-72, subsections (c) and (f) of section 10a-77, section 10a-88,
217 subsection (a) of section 10a-89, subsection (c) of section 10a-99 and
218 sections 10a-102, 10a-104, 10a-105, 10a-109e, 10a-143, 10a-163a [, 10a-
219 164a,] and 10a-168a. [and 10a-170.] The Higher Education
220 Consolidation Committee shall convene its first meeting on or before
221 September 15, 2011, and meet not less than once every two months
222 until September 15, 2012.

223 Sec. 9. Subsection (f) of section 4-89 of the general statutes is
224 repealed and the following is substituted in lieu thereof (*Effective July*
225 *1, 2013*):

226 (f) The provisions of this section shall not apply to appropriations to
227 the Office of Higher Education for student financial assistance for [the
228 scholarship program established under section 10a-169, or for] the high
229 technology graduate scholarship program established under section
230 10a-170a, to the Board of Regents for Higher Education for Connecticut
231 higher education centers of excellence established under section
232 10a-25h, to the Office of Higher Education for the minority
233 advancement program established under subsection (b) of section
234 10a-11, to the Board of Regents for Higher Education for the high
235 technology doctoral fellowship program established under section
236 10a-25n, or to the operating funds of the constituent units of the state
237 system of higher education established pursuant to sections 10a-105,

238 10a-99 and 10a-77. Such appropriations shall not lapse until the end of
239 the fiscal year succeeding the fiscal year of the appropriation except
240 that centers of excellence appropriations deposited by the Board of
241 Regents for Higher Education in the Endowed Chair Investment Fund,
242 established under section 10a-20a, shall not lapse but shall be held
243 permanently in the Endowed Chair Investment Fund and any moneys
244 remaining in higher education operating funds of the constituent units
245 of the state system of higher education shall not lapse but shall be held
246 permanently in such funds. On or before September first, annually, the
247 Office of Higher Education and Board of Regents for Higher Education
248 shall submit a report to the joint standing committee of the General
249 Assembly having cognizance of matters relating to appropriations and
250 the budgets of state agencies, through the Office of Fiscal Analysis,
251 concerning the amount of each such appropriation carried over from
252 the preceding fiscal year.

253 Sec. 10. Section 10a-161 of the general statutes is repealed and the
254 following is substituted in lieu thereof (*Effective July 1, 2013*):

255 The Board of Regents for Higher Education shall: (1) Establish
256 policy pertaining to student financial assistance under sections 10a-163
257 and 10a-167 to 10a-169, inclusive; (2) establish procedure by regulation,
258 for the award of financial assistance under sections 10a-167 and 10a-
259 169; (3) review and approve applications for financial assistance under
260 sections 10a-163 [] and 10a-168; [and 10a-169;] (4) receive and review
261 records of all financial assistance granted pursuant to section 10a-167;
262 (5) increase the availability of the state financial assistance programs to
263 all segments of the state population, with significant attention to those
264 with special needs; and (6) assist financial aid officers at institutions of
265 higher education and secondary school guidance counselors in
266 becoming better informed about matters concerning student financial
267 assistance affairs. The Board of Regents for Higher Education shall
268 appoint a seven-member advisory committee on student financial
269 assistance matters. At least one member shall be a financial aid officer
270 at a public institution of higher education; at least one member shall be

271 a financial aid officer at an independent institution of higher
272 education; at least one member shall be a Connecticut student from a
273 public institution of higher education in the state; at least one member
274 shall be a Connecticut student from an independent college or
275 university in the state; and, at least one member shall be a public
276 secondary school guidance counselor.

277 Sec. 11. Section 10a-163a of the general statutes is repealed and the
278 following is substituted in lieu thereof (*Effective July 1, 2013*):

279 The Office of Higher Education is authorized to establish and
280 administer a fund to be known as the Teacher Incentive Loan Program
281 Fund and a fund to be known as the Academic Scholarship Loan
282 Program Fund. All teacher incentive or academic scholarship loans
283 and interest repayments made to the Office of Higher Education and
284 all unexpended balances of allocations made pursuant to subdivision
285 (2) of subsection (c) of section 8 of special act 82-46, as amended by
286 section 3 of public act 83-556 and section 5 of public act 85-479, shall be
287 added to the respective funds. The Office of Higher Education may
288 ~~[(1)]~~ make expenditures from these funds to provide for: ~~[(A)]~~ (1)
289 Administrative and loan servicing costs; and ~~[(B)]~~ (2) teacher incentive
290 or academic scholarship loans as authorized under subsection (m) of
291 section 2 of special act 82-46, as amended by section 2 of public act 83-
292 556 and section 4 of public act 85-479; ~~and (2) on and after July 1,~~
293 1995, transfer moneys, received as repayment of loans, from these
294 funds to the appropriation to the Office of Higher Education for capitol
295 scholarship grants pursuant to section 10a-169.] These funds shall not
296 lapse or revert to the General Fund of the state.

297 Sec. 12. Section 10a-168 of the general statutes is repealed and the
298 following is substituted in lieu thereof (*Effective July 1, 2013*):

299 If the Board of Regents for Higher Education determines that no
300 approved program of teacher education within the state is available for
301 the preparation of teachers of children requiring special education as

302 defined in part V of chapter 164, said board of regents may provide
303 scholarship aid for such undergraduate and graduate students as it
304 may designate to attend approved programs in institutions in other
305 states. The board may determine the amount of such scholarship aid in
306 each case, [, without regard to the limitations of section 10a-169.] In
307 order to be eligible for such scholarship aid, any applicant shall agree
308 to teach children requiring special education in Connecticut for at least
309 three years.

310 Sec. 13. Section 10a-34 of the general statutes is repealed and the
311 following is substituted in lieu thereof (*Effective July 1, 2013*):

312 (a) For the purposes of this section, "program of higher learning"
313 means any course of instruction for which it is stated or implied that
314 college or university-level credit may be given or may be received by
315 transfer; "degree" means any letters or words, diploma, certificate or
316 other symbol or document which signifies satisfactory completion of
317 the requirements of a program of higher learning; "institution of higher
318 [learning]" education" means any person, school, board, association,
319 limited liability company or corporation which is licensed or
320 accredited to offer one or more programs of higher learning leading to
321 one or more degrees; "license" means the authorization by the State
322 Board of Education to operate a program or institution of higher
323 [learning] education for a specified initial period; "accreditation"
324 means the authorization by said board to continue operating a
325 program of higher learning or institution of higher [learning]
326 education for subsequent periods, and in such periods to confer
327 specified degrees.

328 (b) The Office of Higher Education shall establish regulations
329 concerning the requirements for licensure and accreditation, such
330 regulations to concern administration, finance, faculty, curricula,
331 library, student admission and graduation, plant and equipment,
332 records, catalogs, program announcements and any other criteria
333 pertinent thereto, as well as the periods for which licensure and

334 accreditation may be granted, and the costs and procedures of
335 evaluations as provided in subsections (c) and (d) of this section. Said
336 office may establish an advisory council for accreditation composed of
337 representatives of public and private institutions of higher [learning]
338 education and the public at large to advise the office regarding existing
339 or proposed regulations.

340 (c) No person, school, board, association or corporation shall confer
341 any degree unless authorized by act of the General Assembly. No
342 application for authority to confer any such degree shall be approved
343 by the General Assembly or any committee thereof, nor shall any such
344 authority be included in any charter of incorporation until such
345 application has been evaluated and approved by the State Board of
346 Education in accordance with regulations established by the Office of
347 Higher Education.

348 (d) No person, school, board, association or corporation shall
349 operate a program of higher learning or institution of higher [learning]
350 education unless it has been licensed or accredited by the State Board
351 of Education, nor shall it confer any degree unless it has been
352 accredited in accordance with this section. The board shall not grant
353 any new license or accreditation until it has received a report of an
354 evaluation of such program or institution by competent educators
355 approved by the board. The board shall accept regional or, where
356 appropriate, national accreditation, in satisfaction of the requirements
357 of this subsection unless the board finds cause not to rely upon such
358 accreditation.

359 (e) No person, school, board, association or corporation shall use in
360 any way the term "junior college" or "college" or "university" or use
361 any other name, title, literature, catalogs, pamphlets or descriptive
362 matter tending to designate that it is an institution of higher learning,
363 or that it may grant academic or professional degrees, unless the
364 institution possesses a license from, or has been accredited by, the
365 board, nor shall offer any program of higher learning without

366 approval of the State Board of Education.

367 (f) Accreditation of any program or institution or authority to award
368 degrees granted in accordance with law prior to July 1, 1965, shall
369 continue in effect.

370 (g) If an existing institution, adversely affected by this section,
371 applies to the board for licensure or accreditation, said board may
372 grant licensure on a temporary basis to expire within one year and
373 renewable from year to year, if, in the judgment of the board,
374 reasonable progress is being made by such institution toward meeting
375 the standards required by regulations of the board.

376 (h) Each independent institution of higher education and out-of-
377 state institution of higher education shall submit the following fees to
378 the Office of Higher Education at the direction of said office:

379 (1) Ten thousand dollars for an application for initial licensure of an
380 independent institution, plus two thousand dollars for each
381 application by such institution to confer more than one degree;

382 (2) Twenty thousand dollars for an application for initial licensure
383 of an out-of-state institution, plus four thousand dollars for each
384 application by such institution to confer more than one degree;

385 (3) Two thousand dollars annually for each licensed or accredited
386 independent institution;

387 (4) Four thousand dollars annually for each licensed or accredited
388 out-of-state institution;

389 (5) One thousand dollars for an application for accreditation of an
390 independent institution;

391 (6) One thousand dollars for an application for relicensure of an out-
392 of-state institution;

393 (7) One thousand dollars for expedited review of an application for
394 licensure or accreditation;

395 (8) Five hundred dollars for program modification;

396 (9) Five hundred dollars for a progress report; and

397 (10) One thousand dollars for a site visit by the office or State Board
398 of Education.

399 The Office of Higher Education shall biennially review and update all
400 fees set forth in this subsection to reflect the costs incurred by the office
401 in implementing the provisions of this section in preparation of action
402 by the State Board of Education.

403 Sec. 14. (NEW) (*Effective July 1, 2013*) (a) For the purposes of this
404 section:

405 (1) "Family contribution" means the expected family contribution for
406 educational costs as computed from the student's Free Application for
407 Federal Student Aid;

408 (2) "Full-time undergraduate student" means a student who has
409 been registered at an institution of higher education in a course of
410 study leading to such student's first associate or bachelor degree and
411 who is carrying twelve or more semester credit hours at such
412 institution of higher education;

413 (3) "Independent institution of higher education" means a nonprofit
414 institution established in this state (A) that has degree-granting
415 authority in this state; (B) that has its main campus located in this state;
416 (C) that is not included in the Connecticut system of public higher
417 education; and (D) whose primary function is not the preparation of
418 students for religious vocation;

419 (4) "Public institution of higher education" means the constituent
420 units of the state system of higher education identified in subdivisions

421 (1) to (4), inclusive, of the general statutes;

422 (5) "Tuition and required fees" includes only the direct costs for an
423 individual student that are published by each institution of higher
424 education participating in the grant program established under this
425 section.

426 (b) The state, acting through the Office of Higher Education, shall
427 establish the Governor's Scholarship program to annually make need-
428 based financial aid available to cover the costs of tuition and required
429 fees for Connecticut residents enrolled at Connecticut's public and
430 independent institutions of higher education as first-time, full-time
431 undergraduate students beginning with new or transfer students in the
432 fiscal year ending June 30, 2014. Any award made to a student in the
433 fiscal year ending June 30, 2013, under the capitol scholarship grant
434 program, established under section 10a-169 of the general statutes, the
435 Connecticut aid to public college students grant program, established
436 under section 10a-164a of the general statutes, Connecticut aid to
437 Charter Oak, established under subsection (c) of section 10a-164a of the
438 general statutes, or the Connecticut independent college student grant
439 program, established under section 10a-36 of the general statutes, shall
440 be offered under the Governor's Scholarship program and be
441 renewable for the life of the original award, provided such student
442 meets and continues to meet the need and academic standards
443 established by the Office of Higher Education for purposes of the
444 Governor's Scholarship program.

445 (c) Within available appropriations, the Governor's Scholarship
446 program shall be comprised of a need and merit-based grant, a need-
447 based grant, a Charter Oak grant, and a performance incentive pool.
448 The need and merit-based grant shall be funded at not less than twenty
449 per cent of available appropriations. The need-based grant shall be
450 funded at up to eighty per cent of available appropriations. The
451 Charter Oak grant shall be not less than one hundred thousand dollars
452 of available appropriations. The incentive pool shall be not less than

453 two and one-half per cent of available appropriations. There shall be
454 an administrative allowance based on one-quarter of one per cent of
455 the available appropriations, but not less than one hundred thousand
456 dollars.

457 (d) The Governor's Scholarship need and merit-based grant shall be
458 available to any Connecticut resident who is a first-time, full-time
459 undergraduate student at any public or independent institution of
460 higher education beginning in the fiscal year ending June 30, 2014. The
461 Office of Higher Education shall determine eligibility by financial need
462 based on family contribution and eligibility by merit based on either
463 previous high school academic achievement or performance on
464 standardized academic aptitude tests. The Office of Higher Education
465 shall make awards according to a sliding scale, annually determined
466 by said office, up to a maximum family contribution and based on
467 available appropriations and eligible students. The Governor's
468 Scholarship need and merit-based grant shall be awarded in a higher
469 amount than the need-based grant awarded pursuant to subsection (e)
470 of this section. Recipients of the need and merit-based grant shall not
471 be eligible to receive an additional need-based award or an incentive
472 award. The accepting institution of higher education shall disburse
473 sums awarded under such grant for payment of the student's tuition
474 and required fees.

475 (e) The Governor's Scholarship need-based grant shall be available
476 to any Connecticut resident who is a first-time, full-time
477 undergraduate student at any public or independent institution of
478 higher education beginning in the fiscal year ending June 30, 2014. The
479 Office of Higher Education shall determine eligibility by financial need
480 based on family contribution. The amount of the annual appropriation
481 to be allocated to each institution of higher education shall be
482 determined by its actual eligible enrollment based on family
483 contribution during the fiscal year one year prior to the grant year.
484 Participating institutions of higher education shall make awards
485 according to a sliding scale, annually determined by the Office of

486 Higher Education, up to a maximum family contribution and based on
487 available appropriations and the number of eligible students. The
488 maximum award shall be determined by the Office of Higher
489 Education based on available funding and the number of eligible
490 students. The accepting institution of higher education shall disburse
491 sums awarded under the need-based grant for payment of the
492 student's tuition and required fees.

493 (f) Each participating institution of higher education shall expend all
494 of the moneys received under the Governor's Scholarship program as
495 direct financial assistance only for tuition and required fees based on
496 the sliding scale determined by the Office of Higher Education and the
497 maximum award amounts set by said office. Participating institutions
498 of higher education shall annually provide the Office of Higher
499 Education with data and reports on all Connecticut students who
500 applied for financial aid, including, but not limited to, students
501 receiving a Governor's Scholarship grant, in a form and at a time
502 determined by said office. Each participating institution of higher
503 education shall maintain, for a period of not less than three years,
504 records substantiating the reported number of Connecticut students
505 and documentation utilized by the institution of higher education in
506 determining eligibility of the student grant recipients. Such records
507 shall be subject to audit. Funds not obligated by an institution of
508 higher education shall be returned by February fifteenth in the fiscal
509 year the grant was made to the Office of Higher Education for
510 reallocation. Financial aid provided to Connecticut residents under this
511 program shall be designated as a grant from the Governor's
512 Scholarship program.

513 (g) The Governor's Scholarship Charter Oak grant shall be available
514 to any first-time, full-time undergraduate student enrolled in Charter
515 Oak State College beginning in the fiscal year ending June 30, 2014.
516 The Office of Higher Education shall allocate any appropriation to
517 Charter Oak State College to be used to provide grants for tuition and
518 required fees to residents of this state who demonstrate substantial

519 financial need and who are matriculated in a degree program at
520 Charter Oak State College. Individual awards shall not exceed a
521 student's calculated tuition and required fees. Financial aid provided
522 to Connecticut residents under this program shall be designated as a
523 grant from the Governor's Scholarship program.

524 (h) The Governor's Scholarship incentive pool shall be created to
525 encourage retention and completion for any student who (1) receives
526 the Governor's Scholarship need-based grant, (2) returns with
527 sufficient credits to complete such student's associate degree in two
528 years or bachelor degree in four years, and (3) exceeds the minimum
529 satisfactory academic performance standards as determined by the
530 Office of Higher Education. Such student shall be eligible beginning in
531 the second year of such student's need-based grant. The pool shall be
532 distributed to participating institutions of higher education based on
533 eligibility as determined by the Office of Higher Education.

534 (i) In administering the Governor's Scholarship program, the Office
535 of Higher Education shall develop and utilize fiscal procedures
536 designed to ensure accountability of the public funds expended. Such
537 procedures shall include provisions for compliance audits that shall be
538 conducted by the Office of Higher Education on any institution of
539 higher education that participates in the program. Commencing with
540 the fiscal year ending June 30, 2015, and biennially thereafter, each
541 such institution of higher education shall submit the results of an audit
542 done by an independent certified public accountant for each year of
543 participation in the program. Any institution of higher education
544 determined by the Office of Higher Education not to be in substantial
545 compliance with the provisions of the Governor's Scholarship program
546 shall be ineligible to receive funds under the program for the fiscal
547 year following the fiscal year in which the institution of higher
548 education was determined not to be in substantial compliance.
549 Funding shall be restored when the Office of Higher Education
550 determines that the institution of higher education has returned to
551 substantial compliance.

552 Sec. 15. Sections 10a-19g, 10a-19h, 10a-19j, 10a-36 to 10a-42g,
 553 inclusive, 10a-164a, 10a-169, 10a-170 and 10a-172 of the general statutes
 554 are repealed. (*Effective July 1, 2013*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2013</i>	10a-99(b)
Sec. 2	<i>July 1, 2013</i>	10a-105(b)
Sec. 3	<i>July 1, 2013</i>	10a-1d(a)
Sec. 4	<i>from passage</i>	10a-1b(a)
Sec. 5	<i>July 1, 2013</i>	10a-1e(a) to (c)
Sec. 6	<i>July 1, 2013</i>	10a-1f(a)
Sec. 7	<i>July 1, 2013</i>	10a-48a(b)
Sec. 8	<i>July 1, 2013</i>	10a-55i(a)
Sec. 9	<i>July 1, 2013</i>	4-89(f)
Sec. 10	<i>July 1, 2013</i>	10a-161
Sec. 11	<i>July 1, 2013</i>	10a-163a
Sec. 12	<i>July 1, 2013</i>	10a-168
Sec. 13	<i>July 1, 2013</i>	10a-34
Sec. 14	<i>July 1, 2013</i>	New section
Sec. 15	<i>July 1, 2013</i>	Repealer section

Statement of Purpose:

To implement the Governor's budget recommendations.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]